



# IMPACT OF DIGITAL INDIA ON INDIAN ECONOMY

Dr. Binod Kumar

At+Po. – Pachahi, Via-Madhepur, Dist. Madhubani, Bihar -847408, India.

## ABSTRACT

Digitalization has played a vital role in flourishing the Indian economy. The biggest example is the job opportunities created in the country for youth. In addition to the above, “make in India” drive has given an immense push to youngsters to start new startups and think of creative ideas to contribute to digitalization of India. The government on its end is pushing and encouraging the Indian public to go cashless and reduce reliance on cash transactions. The purpose is to make us adopt digital payments. Digital transactions make us follow a legal path which is helpful to flourish the economy. Use of plastic money gives freedom as well as security to citizens of the country because it works on technical grounds. Digital payments will be helpful to the global world. Since cash is the primary mode of transactions in money laundering and terrorism funding, a digital society would discourage such laundering and terrorism. Digital infrastructure's backbone is the availability of high-speed internet. With the introduction of better and faster mobile internet connections, the services through Digitalization have been delivered in an efficient way to the citizens of the country.

**KEYWORDS:** Digitalization, Government, Payment, Internet and Country.

## INTRODUCTION:

Digital India is an initiative by govt of India to help the country adopt digital initiatives. Initiatives which are expected to cut dependency on bureaucratic processes, decrease corruption and help cut down time in taking public services to the citizens of the country. The impact of Digital India on India's economic growth is supposed to be longlasting. As the initiatives in the Digital India Scheme are all driven by technology. The Digital India programme covers agricultural, industrial, service sectors which constitutes the growth of the economy. It focusses on three core areas: digital infrastructure a utility to every citizen, digital empowerment of citizens, governance and services on demand. The project purposes to connect the 2.5 lakh villages across India through broadband highways, public internet access, universal access to mobile connectivity, e-governance, e-kranti, information services for all, a sturdy electronic manufacturing regime, early harvest programs, and IT for jobs—conferred as the nine pillars of Digital India.

This big initiative came up with big investments in the technology sector with Rs 1.13 lakh crore which help in creating a participative, transparent and responsive government. It will push the usage of technology to connect and empower people in areas relating to health, education, labour and employment, commerce, etc. The programme creates employment opportunities in the country and thereby increases the GDP, per capita income and improve the lifestyle of the people. Digital India attracted more than 4 lakh crore investment and generated more than eighteen lakh job opportunities at its launch. The introduction of Reliance Jio was a catalyst to the Digital India programme. After its launch, mobile data consumption in the country had gone up from 20 crore of GB per month to nearly 370 crore GB per month. Introduction of Jio 4G sim and phones was a mile stone to the Digital India initiative, where in people was able use the data at free of cost. This made people to think not to shift from the particular brand since the company provided them free data for more than one year. Thereby the number of internet users have increased and people become more digitally literate. Through this programme, more than twelve thousand post offices have been connected digitally and it's anticipated that payment banking would be facilitated under same programme. Furthermore, the government has intended to make digital village across the country via linking all schemes with modern technology. Villages and rural areas would be connected with solar energy, LED lighting, e-services, skill development and e-education.

Starting a Digital Locker to help Citizens of India store their important govt ids such as PAN Card, Passport, Voter id card and education mark sheets. All the citizens need to use their locker is an Aadhaar Card. MyGov Portal to improve good governance by help from citizen engagement. ORS portal to help citizens of the country to handle online appointments, pay online fees of doctors and govt hospitals. Design Framework to allow the digital signing of documents. and a few other initiatives were taken to grow the country with the help of latest technology. Our governments for years have worked towards creating an economy which is more reliant on the internet and less on the paper-based economy. The incumbent govt provided a single name “Digital India” to all the digitization, digitalization and other initiatives taken by govt to have a positive impact on our economy.

## Digitalization and Indian Economy:

For years, promoting Digitalization has been a Governmental initiative to give

all services to every citizen on their web portals or electronically, to make the transactions transparent and smooth. The real changes because of Digitalization are becoming visible today because of the push by govt., which is expected to usher in a new era (like how computerization did in public as well as private sector almost two decades back). Things like paper currency notes will soon be a thing of past. Slowly we are moving towards Digitalization of Indian Economy with new steps and initiatives. There are certain factors which compel us to follow Digitalization in our routine life. On the contemporary, we need certain essential elements to materialize Digitalization in our routine life.

Corruption today is the biggest problem in developing countries. In fact, corruption is a problem we have faced for ages. It is said, a parallel economy flourishes side by side to our main economy. This economy is run by those who avoid paying taxes to the Govt. One of the prominent reason for the parallel economy is the dependency on cash-based businesses. The culprits running the parallel economy do not feel like having bank accounts and other business books which simply means no tax payment to Govt. With Digitalization Initiatives like Taxations being bought online and steps like Demonetization, the govt is trying to weed out corruption from our system which is expected to lead to a positive impact on Indian Economy.

With digital transactions, one needs to have a proper bank account and essential documents. Banks are the part and parcel of our day-to-day life. Banking includes ATM transactions, online payments, and transfers. Because of Digitalization of their processes, banks have saved costs by improving their processes. Customers have been able to avail benefits such as ATMs, cashless transactions using Credit Card, Debit Cards, etc. For example, earlier it was impossible for anyone to get an unsecured business loan because of the high risk involved and documentation required to provide the same.

Fast forward today, Government is pushing schemes like Mudra under which Startups can get startup business loan without collateral. It is only because of Digitalization that banks have been able to give benefits of schemes like this to startups in India. This has given a boost to initiatives like startup India, Mudra, etc. Today, banks are going out of the way to adopt the latest technologies to enhance customer experience. Another marvellous example of digitalization is mobile banking where banking can be done on mobile phones. The feature allows you to literally use your bank account from your mobile phone. Digitalization in Banks has not only reduces human errors and save time but has led to cashless transactions which have reduced the circulation of fake currency in the market. Thereby, leading to a positive impact on our economy. 2016 is the year which will be always linked to demonetization for the withdrawal high amount denomination Rs. 500 and Rs. 1000 of India's currency in circulation on November After Demonetization was announced, cashless payments in October 2016 increased 22%, when compared to October 2015, indicating that Indians have been progressively more accepting of different digital payments modes since 2015.

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India. The government on its end is pushing and encouraging the Indian public to go cashless and reduce reliance on cash transactions. The purpose is to make us adopt digital payments. Digital transactions make us follow a legal path which is helpful to flourish the economy. Use of plastic money gives freedom as well as security to citizens of the country because it works on technical grounds. Digital payments will be helpful to the global world. Since cash is the primary mode of transactions in money laundering and terrorism funding, a digital society would discourage such laundering and terrorism.

Digital infrastructure's backbone is the availability of high-speed internet. With the introduction of better and faster mobile internet connections, the services through Digitalization have been delivered in an efficient way to the citizens of the country. In addition to the above, the government is taking initiatives like "Aadhar Card" or Digital identification for every citizen. The move is expected to give unique and authentic identification to every citizen. This step will mean faster subsidy distribution, reduction of corruption and some other impacts on our economy.

Next important step taken by Government is the introduction of a Common Service Centre. A secure public cloud to share information. At the end of the day, Digitization is helping businesses streamline their processes by slowly taking away dependency away from paperwork. Banks, I think are the biggest beneficiary of digitalization. Since they now have processes where less staff can do more work. Digital India has empowered its citizen by giving them digital power like during the journey you don't have to carry any physical documents. You can show a soft copy of the ticket and identity card which fulfils the purpose. Government is pushing Digitalization in the country by promoting e-services to every citizen. Another initiative – Digital India is all about Promoting development and creating an opportunity for new India in terms of job, technology, and transparency through Digitalization. To see the immediate impact of digitization, all we must do is look at how income tax filing and income tax return processes have been streamlined. Today, you do not have to go and stand in front of an income tax officer to get an income tax refund. Time is not far when Digitization will change the phase of the Indian economy.

#### REVIEW OF LITERATURE:

Being a recent move, there have been various researches on different aspects of the initiative ranging from the economical to social and ethical dimensions. Some of these researches retrieved through internet searches have been reviewed here.

Khan, Saima, Khan, Shazia & Aftab, Mohsina (2015) "Digitalization and its Impact on Economy" Digital conversion of print sources has improved speedily within the past few years. conversion is that the social transformation started by the large adoption of digital technologies to come up with, process, share and manage digital info. conversion is an comprehensive technique of preservation and access by that all the institution's assets are reworked into digital and making high-quality copies in digital format.

Gupta and Arora (2015) Studied the impact of digital India project on India's rural sector. The study found that many schemes have been launched in digital India to boost agriculture sector and entrepreneurship development in rural areas. Digital India programme has also set the stage for empowerment of rural Indian women.

Rani (2016) Concluded that the digital India project provides a huge opportunity to use the latest technology to redefine India the paradigms of service industry. It also pointed out that many projects may require some transformational process, reengineering, refinements to achieve the desired service level objectives.

Maiti, Moinak & Kayal, Parthajit (2017) "Digitisation: Its Impact on Economic Development" The performance of the services sector improved considerably since 2000 ahead. Development in IT and ITES modify and automatic the business method. This resulted in overall improvement in each producing and services sectors. India's service sector and MSME phase have the high potential for future growth with digitisation. The comprehensive growth of each India's services sector and MSME phase will provides a boost to the degree of trade and India's share with the assistance of digitisation.

Shukla, Mansi & Bose, Shilpi (2017) "Impact of Digitalization in Economy and the effects of Demonetization." The digitalization is not simply regarding concerning the business dealing from face to face to on-line, however it's concerning transformation of several sides of the business interactions and dealings and fragmented up into innovations too. Growing technology advances, larger purchaser power and increased competition mean all industries face the threat of development. India stands on the sting of growth in web and e-commerce activity. The digital economy has modified the operating of business in today's world.

#### OBJECTIVES:

The Main objectives of this paper is based on following headings:

- To Examine the Impact of Digital India on Indian Economy.
- To Evaluate the Problems of Digital India.

#### METHODOLOGY:

The method used in this paper is descriptive-evaluative method. The study is mainly review based. It is purely supported by secondary source of data, i.e. books, journals, papers and articles and internet.

#### Prospects of Digital India:

It is essential for any economy to continually invest in the development of digital infrastructures to meet existing and future demand. They provide the foundation for many new services, applications, and business models. They are also crucial in underpinning and enabling the digital innovations that are transforming production, including in the context of industries. High-speed infrastructures are one of the main building blocks for digital economies, alongside content and applications. These infrastructures are composed of a multitude of local, national and global networks owned by different entities. Moreover, the access afforded by Internet infrastructures brings societal gains, enabling new collaborative, scientific and social networks, and supporting the free flow of information and knowledge. For all these reasons, digital infrastructures need to be of high quality, accessible to all and available at competitive prices.

The digital economy is expected to generate new market growth opportunities and jobs and become the biggest business opportunity of mankind in the next 20 to 30 years. India, comprising 15% of the world population and with a growth rate of 7% to 8% on an average, could be the second largest economy by 2030. India's new leadership considers the digital economy as a major growth enabler and the emphasis on programmes like DIGITAL INDIA are a testimony to this fact. The Indian government also acknowledges the digital economy's potential and has substantially invested in digitalization for public and private sectors. The commitment of the Indian government to spend 19 billion US dollars within the next five years strategically acknowledges the increasing value of communication technologies. All IoT, Internet of things, internet of people, Internet of data and Internet of a process for India is expected to have a value at stake (VAS) of about half a trillion US dollars for the next ten years. For the Indian economy, investment and innovation in the digital sector has generated enormous opportunities and it has raised the economic and global profile of entire cities, created jobs and produced innovation and innovative technologies. This becomes even more important as we are switching over wide range and systems of digital payments across the sectors in a cashless economy, but it has flagged a number of challenges to the regulators to navigate and generate significant discussion among the bar and bench. A recent conference hosted by the Competition Law Bar Association and Competition Commission of India revealed that the latter recognizes its critical role in encouraging innovation and technologies in this area of the economy. The companies that find themselves at the top of an industry in this area have to work harder than ever to keep customers who can easily switch their allegiance to a better and cheaper competitor because of the low barriers to entry and high levels of innovations in the 21st century. It is interesting to examine how regulators outside of India have been examining the dynamic and fast-moving digital sector. The core and main principle remain that regulators have to protect competition in their own jurisdiction and should have focused on domestic consumers.

#### CONCLUSION:

The digitalisation brings innovation, easy operating, new job opportunities and growth within the economy. It helps to bring transparency within the system and a lot of clear area unit the flow of funds within the economy less is that the downside of non-payment, parallel economy etc. however with of these advantages obtainable it additionally makes it necessary for the folks to own basic monetary information and a push towards the importance of the monetary attainment. Digitalization also play a very important role in action this goal because it can have a larger reach to the folks. By this we are able to reach on a conclusion that the new technology has to controlled well and for this it's not solely the provision however additionally the information to use it and acquire advantages from it.

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